

ABSTRACT

This study aims to identify the driving factors of sustainable innovation in micro, small, and medium enterprises (MSMEs) in the food, beverage, and service sectors in West Java. Sustainable innovation is considered crucial in enhancing business competitiveness and sustainability, particularly in addressing regulations and market demands. The focus of this research is to understand the role of external and internal factors influencing the adoption of sustainable innovation among these MSMEs.

This research uses a qualitative approach through in-depth interviews. Data were collected from several MSME actors in the food, beverage, and service sectors in West Java. The interviews focused on eight main aspects, including regulations, market demand, searching for new business opportunities, team collaboration, the role of owners and managers, barriers to innovation, as well as understanding and the importance of sustainable innovation. Data analysis was conducted using a thematic approach to identify the most significant driving factors in the implementation of sustainable innovation.

The findings show that external factors such as government regulations and market demand are the main drivers for MSMEs to engage in sustainable innovation. On the other hand, internal factors such as team collaboration, initiatives to seek new business opportunities, and the role of owners and managers also play a crucial role in supporting innovation.

In conclusion, sustainable innovation in MSMEs in the food, beverage, and service sectors in West Java is driven by both external and internal factors. Government regulations and market demand create pressure for MSMEs to innovate, while internal factors such as team collaboration and the role of owners and managers also act as key drivers of sustainable innovation. This research contributes to understanding the driving factors of sustainable innovation in MSMEs and can serve as a basis for developing more effective policies to support sustainable innovation in this sector.

Keywords: MSMEs, sustainable innovation, West Java